

AMENDED IN ASSEMBLY MAY 4, 2005

AMENDED IN ASSEMBLY APRIL 21, 2005

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 1503

Introduced by Assembly Members Mullin and Chan
(Coauthors: Assembly Members ~~Berg and Laird~~ Arambula, Berg,
***Hancock, Laird, and Umberg*)**

February 22, 2005

An act to add Section ~~42238.53~~ 42238.54 to the Education Code, relating to school finance.

LEGISLATIVE COUNSEL'S DIGEST

AB 1503, as amended, Mullin. ~~School finance—Declining enrollment:~~ average daily attendance: adjustment.

Existing law requires the county superintendent of schools to determine a revenue limit for each school in the county pursuant to a prescribed formula, and requires, for purposes of that apportionment, that average daily attendance be calculated, as prescribed.

This bill would authorize a school district that reports a decline in the units of average daily attendance below the number of units reported for the 2003–04 fiscal year or the fiscal year before the decline, for 2 or more consecutive fiscal years, whichever is later, to compute an adjustment to the number of units of average daily attendance, as prescribed. *The bill would also require, notwithstanding the above provisions of the bill, a school district that has 4 consecutive fiscal years or more of declining enrollment, to compute an adjustment to the number of units of average daily attendance, as prescribed.* For purposes of computing that adjustment, this bill would require that the average daily attendance of pupils in

startup charter schools initially chartered by the school district on and after January 1, 2006, be treated as if the attendance occurred in a separate local ~~education~~ educational agency.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section ~~42238.53~~ 42238.54 is added to the
2 Education Code, to read:
3 ~~42238.53.~~
4 42238.54. For the 2005–06 fiscal year and each fiscal year
5 thereafter, a school district that reports a decline in units of
6 average daily attendance below the number of units reported for
7 the 2003–04 fiscal year, or the fiscal year before the decline, for
8 two or more consecutive fiscal years, whichever is later, may
9 compute an adjustment to the number of units of average daily
10 attendance pursuant to this section and the computation pursuant
11 to Section 42238.5, as follows:
12 (a) The fiscal year preceding the first fiscal year of decline in
13 the number of units of average daily attendance shall be deemed
14 the base attendance year.
15 (b) In the second consecutive fiscal year and all succeeding
16 fiscal years in which the number of units of average daily
17 attendance is less than the number of units of average daily
18 attendance in the base attendance year, the Superintendent shall
19 determine the difference between the number of units of average
20 daily attendance in the current fiscal year, pursuant to Section
21 42238.5, and the number of units of average daily attendance in
22 the base attendance year. This difference shall be multiplied by
23 0.6 and the resultant product subtracted from the number of units
24 of average daily attendance computed pursuant to Section
25 42238.5 in the base attendance year.
26 (c) The average daily attendance for the base attendance year
27 shall be adjusted for any increase or decrease in the average daily
28 attendance due to any subsequent reorganization or transfer of
29 territory, or for any change in average daily attendance of pupils
30 who are concurrently enrolled in adult programs and classes
31 pursuant to Section 52616.17.

(d) Notwithstanding subdivision (a), for any school district that has four consecutive fiscal years or more of declining enrollment, the fourth *prior* fiscal year of decline in the number of units of average daily attendance shall be deemed the base attendance year. The number of units of average daily attendance for the base attendance year designated pursuant to this subdivision shall be reduced by the number of units of average daily attendance in all conversion charter schools that are chartered by the school district after ~~July~~ January 1, 2006.

(e) Notwithstanding Sections 42238.51 and 42238.52, the average daily attendance of pupils in *startup* charter schools initially chartered by the school district on and after January 1, 2006, shall be treated as if the attendance occurred in a separate local ~~education~~ educational agency.

(f) For purposes of this section, “base attendance year” shall be used as the fiscal year for purposes of computing average daily attendance pursuant to Section 42238.5.